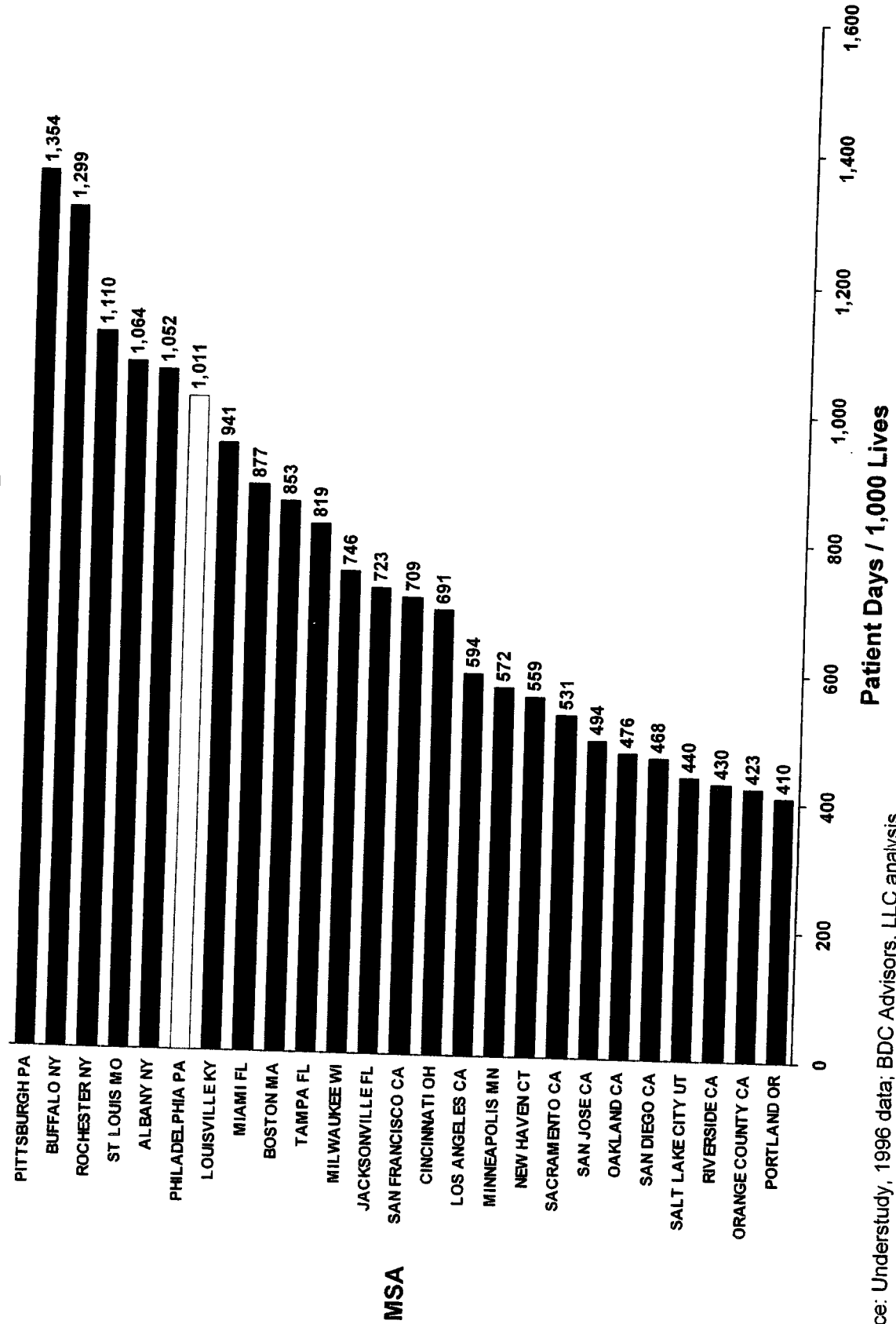


IDS Comparative Assessment . . . MSA Comparison: Days per 1,000 Lives

MSA Utilization, 1996



Sale of AHERF - East

The handling of the AHERF-East sale process negatively impacted the proceeds received at sale.

Decline in Value From Sale of AHERF-East

- Three factors known to negatively impact the asset sale price during the sale of AHERF-East were a lengthy sale process, low number of bidders, and the filing of bankruptcy
- The handling of the sale of AHERF-East's assets had a negative impact on the sale price based on the decline in AHERF-East hospital volume by 16% during the sale process

Sale Process . . . Auction

Based on research studies, a long auction process, low number of bidders and the filing of bankruptcy during a sale / auction process can result in a lower sale price.

Long Auction Process

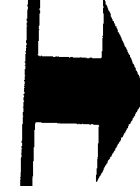
- AHERF decided to sell a portion of the AHERF-East in January 1998
- The sale was finally completed in November 1998

Low Number of Bidders

- AHERF began the sale of AHERF-East assets using a sole bidder approach in January 1998
- The sale process moved to a competitive auction in August 1998
- AHERF-East received only one bid by the time the first round bids were due (September 1998)

Filing of Bankruptcy

- AHERF-East filed for bankruptcy during the sale process in July 1998



Lower Sale Price

Source: BDC Advisors, LLC

BDC Advisors, LLC

Appendix 2

***Cravath, Swaine & Moore, LLP
Unsecured Creditors of AHERF v. PwC
Civil Action No. 00-684***

Hospital Turnaround Framework

November 2004

BDC ADVISORS, LLC

San Francisco ■ Boston ■ Chicago ■ Washington, D.C.